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International trade and development

Report of the Secretary-General*

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* This report was submitted on this date so that the necessary, updated information reflecting the latest developments in the international trading system could be reflected.

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I. Introduction

1. The present report was prepared in accordance with General Assembly resolution 54/198 of 22 December 1999, in which the Assembly requested the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development (UNCTAD), to report to it on developments in the multilateral trading system and on other issues raised in the resolution. The report of UNCTAD on its tenth session as well as the reports of the Trade and Development Board provide additional information on the action taken by UNCTAD.

II. Developments in the multilateral trading system

2. The main developments in the multilateral trading system are related to the Third World Trade Organization (WTO) Ministerial Conference (Seattle, 29 November-3 December 1999) which ended without launching new multilateral trade negotiations or agreeing to a future WTO work programme.

3. From a development perspective, the most important policy challenge is how to strengthen orientations of the system to formulate effective and sustained responses to the concerns of developing countries. Based on the experiences of the first five years of WTO, developing countries, while expressing full confidence in the merits of the multilateral trading system as such, have been insisting that the present WTO agreements are unbalanced and offer inadequate benefits and opportunities to them. At their Ninth Ministerial Meeting of the Group of 77 and China (Marrakech, 13-16 September 1999),[1] developing countries formulated some general policy approaches and positions for the Seattle Ministerial Conference. A major concern expressed was that the benefits of the existing multilateral trading system continue to elude them and that progress towards full liberalization in sectors of their particular interest was lagging behind. The danger was that the confidence of developing countries in the multilateral trading system could be eroded and the temptation to retreat into misguided protectionist policies could grow. The non-realization of benefits by many developing countries in areas of interest to them had resulted from the failure of major trading partners fully and faithfully to meet their obligations, particularly in respect of textiles and clothing. They therefore urged that the question of the implementation of WTO agreements and decisions be addressed and resolved at Seattle by the Third Ministerial Conference of WTO. In particular, the special and differential provisions in the WTO multilateral trade agreements, many of a "best endeavour" nature, which largely remained unimplemented, should be operationalized if the developing countries were to derive the expected benefits.

4. Developing countries called particularly for:

(a) Incorporation of the agricultural trade sector within normal WTO rules, while addressing the particular problems of predominantly agrarian and small island developing economies and net food-importing developing countries;

(b) Developed countries to demonstrate a firm and unequivocal commitment to opening their markets to the exports of developing countries and to provide duty-free and quota-free access for the exports of the least developed countries. Any future negotiations, in their view, should address the elimination of tariff peaks and tariff escalation and introduce further disciplines to prevent the abuse of measures such as anti-dumping, countervailing duties and safeguard actions, sanitary and phytosanitary regulations and technical barriers to trade, and to prevent the apparent revival of the use of voluntary export restraints;

(c) A review and strengthening of the concept of special and differential treatment, to take account of the changing realities of world trade and of globalized production. Special emphasis should be given to capacity-building in developing countries and measures taken by industrialized countries to encourage their enterprises and institutions to transfer technology and know-how and to invest in developing countries.

"Positive agenda"

5. Since the launching of the pre-Seattle preparatory process, the UNCTAD secretariat has pursued a "positive agenda" initiative.[2] The thrust of the initiative was to facilitate the efforts of developing countries to ensure that their interests would be taken up in any future multilateral trade negotiations and that such negotiations would be fully responsive to their concerns. The initial step in the process was the holding of two ad hoc expert group meetings for an

exchange of views among international organizations and academic institutions, both in developing and developed countries, on the work that should be carried out to further the positive agenda objective. The outcomes of the meetings have been taken into account in a number of publications by UNCTAD.[3]

6. Developing countries requested the UNCTAD secretariat to assist them in their efforts to draw and refine proposals for the future trade agenda. Three UNCTAD interregional workshops on the positive agenda were organized: in Seoul, Republic of Korea (8-10 June 1999); Pretoria, South Africa (29 June-2 July 1999) and Boca Chica, Dominican Republic (2-4 August 1999). A high-level workshop for the least developed countries, held in Sun City, South Africa (21-25 June 1999), was also organized. Under the United Nations Development Programme (UNDP) project "Capacity-building for trade and Africa", UNCTAD organized three subregional seminars in Africa — in Harare for the Common Market for Eastern and Southern Africa (COMESA); in Abuja for the Economic Community of West African States (ECOWAS), and in Cape Town for the South African Development Community (SADC), aimed at assisting these groups to prepare for the Third WTO Ministerial Conference.

7. The intergovernmental machinery of the United Nations also contributed to the process. It includes UNCTAD expert meetings held on health services (1997), tourism services (1998), environmental services (1998), agriculture (April 1999) and air transport (June 1999). The report of the Secretary-General to the General Assembly at its fifty-fourth session on developments in the multilateral trading system (A/54/304) and other regional meetings organized in cooperation with the regional commissions (Economic Commission for Africa (ECA) and Economic and Social Commission for Asia and the Pacific (ESCAP)), also played a positive role in this regard. The preparatory process for the tenth session of UNCTAD (UNCTAD X) (Bangkok, 12-19 February 2000) also provided substantive inputs to the development of the positive agenda. Thus, the three regional preparatory ministerial meetings of African, Asian and Latin American countries, as well as the ministerial meeting of the Group of 77 (Marrakech, September 1999), formulated basic approaches of the developing countries to the new multilateral trade negotiations and UNCTAD's role therein. A substantive part of the report of the Secretary-General of UNCTAD to UNCTAD X was also devoted to the positive agenda.[4]

Outcome of UNCTAD X and its relevance for the WTO process

8. The Bangkok Plan of Action, adopted by UNCTAD X (TD/386), reflects the view that the international community should address the imbalances and asymmetries in the WTO agreements and the international economy as a whole. The general view was that the conditions necessary for the effective implementation of the WTO agreements had not always been sufficient. Thus, new multilateral negotiations should give special attention to the provision of adequate assistance to developing countries to enable them to establish the infrastructure and other conditions necessary for the effective implementation of the agreements and also to ensure that those countries benefit from the opportunities offered by multilateral agreements. More specifically, the Plan of Action states that market access conditions for agricultural and industrial products of export interest to the least developed countries should be improved and urgent consideration should be given to, inter alia, the proposal for a commitment by developed countries to grant duty-free and quota-free market access for essentially all exports originating in the least developed countries. The Bangkok Plan of Action essentially sets out the core elements of an agenda for the "development round".

9. The Bangkok Conference gave UNCTAD the mandate to continue actively to assist developing countries in their positive agenda by providing the necessary technical and analytical inputs to their negotiating objectives, supporting their capacity-building process and providing a forum for the exchange of views and information. To this end, a series of expert meetings has been and will be organized. These include:

(a) An expert group meeting on the impact of the reform process in agriculture on the least developed countries and net-food importing developing countries, and ways to address their concerns in multilateral trade negotiations (24-26 July 2000);

(b) An expert group meeting on experiences with regulations and liberalization in the construction

services sector and its contribution to the development of developing countries (23-27 October 2000);

(c) An expert group meeting on the impact of anti-dumping and countervailing actions (4-6 December 2000).

10. In addition, the Secretary-General of UNCTAD intends to convene an expert group meeting to discuss how special and differential treatment in favour of developing countries can be modernized and made more operational to expand export opportunities for developing countries and how it can be adapted to changing international trading conditions. He is also considering the possibility of convening an ad hoc group of experts on accessions to the WTO and the problems of new members from developing countries and economies in transition in implementing their WTO rights and obligations.

11. UNCTAD is further developing its commercial diplomacy programme to assist developing country negotiators prepare for multilateral and regional negotiations and to support developing country institutions in strengthening their capacities to provide such training.

12. At the first South Summit of the Group of 77 (Havana, Cuba, 10-14 April 2000)[5] and at the Tenth Summit of the Heads of State and Government of the Group of 15 Developing Countries (Cairo, Egypt, 19-20 June 2000),[6] developing countries emphasized that the multilateral trading system must take into account the development dimension in multilateral trade negotiations. Furthermore, in the G-8 Summit Communiqué (Okinawa, Japan, 21-23 July 2000),[7] developed countries noted that in order to extend benefits to a greater number of countries, the multilateral trading system needed better to address legitimate concerns of its developing country members, particularly the least developed countries.

Resumption of work in WTO

13. Negotiations on agriculture, services and a number of other issues, included in the "built-in agenda", are now under way. In addition, as a result of the WTO Ministerial Conference, several other issues were urgently placed under discussion in the WTO General Council, such as the implementation of the WTO agreements in terms of developing countries' concerns; transparency in WTO; and specific market-access measures in favour of the least developed countries. The negotiations on agriculture under article 20 of the Agreement on Agriculture were launched on 23-24 March 2000 at the special session of the WTO Committee on Agriculture. It was agreed that there would be a first phase from March 2000 to March 2001, during which negotiating proposals would be submitted. A stock-taking exercise covering all proposals is planned for March 2001.

14. One of the major concerns of developing countries is export subsidies. In many of them the trade policy regime in the agricultural sector is more liberal than it is in most developed countries. Furthermore, subsidization of agriculture in some developed countries continues to increase. Thus, for example, despite declared efforts and good intentions, the use of export subsidies in the world as a whole increased from $5.6 billion in 1997 to $6.5 billion in 1998. Of these, $5.8 billion, or almost 90 per cent of the world total, were used by the European Union, which is roughly four times the average share of agriculture value-added in GDP of sub Saharan African countries.[8]

15. There is a growing consensus that the impact of agricultural reform on the net food-importing developing countries and the least developed countries needs to be addressed more vigorously, and the new negotiations on agriculture should take the special situation of these countries into account. The special and differential treatment provisions should also be devised to include a development component.

16. A new round of negotiations on trade in services was also initiated in February 2000. At a meeting in May 2000, the negotiations achieved some progress on the so-called "road map" for the first phase, which is expected to end in March 2001. By then, a review of the results achieved will be conducted. The second phase of negotiations would begin immediately after. Several proposals have already been tabled.

17. Classification of services has been subject to criticism. The existing list of sectors was considered insufficient in obtaining effective liberalization in selected service sectors. To achieve liberalization of one service sector usually means that the regulatory framework of interrelated services also has to be adapted — hence, the need to consider a so-called cluster of interrelated service sectors. This principle was actually adopted in the proposal on tourism. The discussions are ongoing as to how to adopt this

approach, including a number of legal and scheduling issues. A checklist of interlinked sectors might be created. The sectors proposed, which include environment, energy, legal, courier, and construction services, are viewed deficient in terms of their current WTO classification. Developing countries stressed, though, that the request-and-offer approach should remain a cornerstone in the approach to negotiations.

18. Sectoral initiatives often tend to arise in areas where no multilateral rules have been developed — e.g., pro-competitive regulatory principles were adopted for basic telecom negotiations in the absence of more general rules on competition. In principle, it is expected that rule-making should gain prominence. However, the process is lengthy and complicated in all areas under consideration, including domestic regulation, government procurement and subsidies. On emergency safeguards — a priority interest to developing countries — developed countries have not yet acknowledged the need for having such mechanisms.

19. A review of the exemptions for the most favoured nations has taken place and remains on the agenda. The annex on air transport is also to be reviewed. However, this sector will probably not be incorporated under the framework of the General Agreement on Trade in Services (GATS) in full. Negotiations will also extend to the maritime services, and specific proposals are to be made in that area as well. Apart from the negotiations on further liberalization of trade in services, as mandated under article XIX of GATS, the "built-in agenda" for services also contains several other elements: a series of mandated reviews, continuation of a rule-making agenda inherited from the Uruguay Round, and work on classification and scheduling issues.

20. Divergent views have been expressed at the Council for Trade-related Aspects of Intellectual Property Rights (TRIPs) on practically all issues under consideration. Developing countries were very active during the preparatory process of the Third WTO Ministerial Conference and put forward a number of proposals related to the items included in the built-in agenda and to other topics of interest to them (e.g., protection of traditional knowledge). Those countries are making efforts to discuss some of the pre-Seattle proposals in the Council for TRIPs. However, several developed countries are against discussing the proposals, claiming that they do not fit into the agenda of the Council for TRIPs and that the Council therefore has no mandate. Nevertheless, some discussions have already taken place on article 71 (review of the implementation after the expiration of the transitional period on 1 January 2000) and on implementation of article 66.2 (incentives for technology transfer to the least developed countries). Negotiations or reviews have also started regarding:

(a) Establishment of a multilateral system of notification and registration of geographical indications for wines and spirits (as mandated by article 23.4);

(b) Implementation of the provisions related to geographical indications (as mandated by article 24.2);

(c) Extension of the provisions on additional protection to products of interest to developing countries, other than wines and spirits;

(d) Review of article 27.3.b dealing with the protection of plant varieties;

(e) Application of the so-called "non-violation complaints" under the Agreement on TRIPs.

21. The major concerns of many developing countries regarding the implementation of the WTO multilateral trade agreements are the lack of progress towards liberalization in sectors of particular interest to them; the significant imbalances between their rights and obligations under some of the agreements; and the conditions of market access.

22. The implementation of the Agreement on Textiles and Clothing has given rise to many concerns. This sector accounts for about 20 per cent of developing countries' overall exports of manufactured products; for some of them the percentage is even larger. However, the implementation of the Agreement has failed to meet their legitimate expectations. Almost six years after its implementation, the committed progressive liberalization of quotas has not yet materialized.

23. Many developing countries have difficulties in meeting the various procedural and enforcement obligations of the multilateral trade agreements. They feel that the transitional periods under some of the agreements are unrealistic, and that financial burdens faced by their administrations and the economic implications of adjustment of their domestic producers to new rules are too high. They also feel that there are areas where deadlines for action set in the "built-in

agenda" have not been met. These include, for example, the negotiation of an arrangement to limit export credits in agriculture, a GATS emergency safeguard clause, the completion of negotiations on rules of origin and anti-circumvention measures with respect to anti-dumping measures. At the same time, developing countries' expectations to benefit from special and differential treatment provisions, for example, under article IV of GATS, the transfer of technology provisions of the TRIPs Agreement and the Agreement on Sanitary and Phytosanitary (SPS) Measures, have not yet sufficiently materialized.

24. After the Seattle Ministerial Conference, it became apparent that concerted efforts would have to be made to find the means to address the specific needs and concerns which the developing countries, and particularly the least developed among them, had raised. Effective and tangible measures are urgently required not only to extend greater trade benefits and market liberalization but also to improve the capacity of those countries to take advantage of the benefits. A programme for addressing implementation issues and other concerns of developing countries was adopted at the meeting of the WTO General Council on 3 May 2000. The special session of the WTO General Council held the first round of discussions on 23 June and 3 July 2000 to consider the proposals on implementation, especially those submitted during the preparatory process. It was also decided that the special session of the WTO General Council would hold the second round of discussions on 18-19 October 2000.

25. The issue of transparency in WTO was identified as one of the priorities for further consultations at the General Council meeting of 7-8 February 2000. Informal and formal meetings of the General Council on this issue, in March/July 2000, revealed some degree of consensus among WTO members. The general view was that there was no need for major institutional reforms which might alter the decision-making process of WTO and its basic character as a member-driven organization. There was also a strong commitment to the existing practice of taking decisions by consensus. On the informal methods of work in WTO, which were criticized by many developing countries for their restrictive nature and non-transparency, some common understanding emerged on several elements to ensure an open-ended and more transparent informal decision-making process. However, decisions on this issue are yet to be made.

26. On the issue of improved market access for the least developed countries, at the WTO General Council meeting in May 2000, the European Communities, Japan, Canada and the United States proposed to implement both tariff-free and quota-free treatment, consistent with domestic requirements and international agreements, under their preferential schemes, for essentially all products originating in the least developed countries. Nine other members (Chile, Czech Republic, Hungary, Iceland, Republic of Korea, Norway, New Zealand, Slovenia and Switzerland) also announced that they had taken, or were intending to take, measures to improve access of the products of the least developed countries to their markets. However, the usefulness of such measures and practical modalities of their implementation, as well as their legal status within the WTO obligations (i.e., bound or not), were questioned by many of the least developed countries.

27. The export trade of the least developed countries is concentrated on a few products, mainly primary agricultural and mining products. Capacity-building and diversification must therefore be a key element in actions in favour of the least developed countries. Two inter-agency programmes currently exist in this respect: the Joint Integrated Technical Assistance Programme (JITAP) in Selected Least Developed and Other African Countries in which WTO cooperates with UNCTAD and the International Trade Centre (ITC), and the Integrated Framework for Trade-related Technical Assistance for the Least-Developed Countries, in which the International Monetary Fund (IMF), UNDP and the World Bank, UNCTAD, ITC and WTO are involved.

WTO accessions

28. Since the entry into force of the WTO Agreement on 1 January 1995, nine countries have acceded to the Organization, six of which fall into the category of economies in transition. At present, there are 30 countries in the process of accession, including Algeria, China, Lebanon, Russian Federation, Saudi Arabia and Viet Nam, and nine of the least developed countries (Bhutan, Cambodia, Cape Verde, Laos People's Democratic Republic, Nepal, Samoa, Sudan, Vanuatu and Yemen). With regard to China, the agreement reached with the United States, followed by

that with the EU set the stage for the accession of China to WTO after 14 years of negotiation.

29. Accession to WTO has become increasingly difficult for developing countries and economies in transition, especially for the least developed countries. One of the major concerns of acceding countries is that they are obliged to accept higher levels of obligations than WTO members, and developing countries have to forgo the benefit from the special and differential treatment incorporated in the WTO multilateral trade agreements. In this regard, the situation of the least developed countries calls for special attention. Nine of the nineteen, not members of WTO, are in the process of accession. However, only one may be considered in the advanced stage of accession and is still facing considerable demands, particularly regarding tariff concessions. In the pre-Seattle preparatory process, the European Union put forward a proposal for a fast track for the accession of the least developed countries which would facilitate their accession on balanced terms. However, the proposal was not supported by certain other developed countries. On the other hand, it would seem discriminatory to deny the acceding least developed countries the special and differential treatment accorded to least developed countries members in the WTO Agreements. Since the ninth session of UNCTAD, in 1996, UNCTAD's assistance to acceding countries has substantially intensified.

GSP and regional integration developments

30. The effectiveness of the Generalized System of Preferences (GSP) and other trade preferences in favour of developing countries is being undermined by the ongoing economic liberalization, the tightening of multilateral rules on waivers and the trend towards reciprocity in North/South trade relations. GSP schemes and other non-reciprocal preference schemes play important roles as tools for trade and development in developing countries, in particular, in the least developed countries. Totally free global trade is a remote possibility, and high tariff barriers will continue to exist even after the complete implementation of all Uruguay Round tariff liberalization obligations. Thus, non-reciprocal trade preferences can continue to provide some relief. GSP schemes can also constitute a framework for those developing countries that are not able to enter into fully reciprocal trade agreements with developed countries. Accordingly, the view among developing countries is that GSP schemes and other non-reciprocal trade preferences should not be abandoned or phased out prematurely.

31. Since 1995, regional integration agreements among developing countries have expanded, increased and in general gained new momentum. Impetus was provided by the liberalization of import regimes in developing countries as a result of structural adjustment programmes. Furthermore, a whole network of bilateral agreements is under negotiation among countries and groupings within and across regions. In Latin America, the Southern Cone Common Market (MERCOSUR) and the Andean Community have moved rapidly ahead with the implementation of their programmes to liberalize mutual trade and establish customs unions. In Asia, the Association of Southeast Asian Nations (ASEAN) has accelerated the implementation of its free trade area in goods and started work on liberalizing trade in services. In the South Pacific, several countries have formed and implemented a free trade area within the Melanesian Spearhead Group. The larger Pacific Forum has agreed to form a free trade agreement and has started negotiations on a draft agreement.

32. In Africa several groupings have been engaged in major revisions, restructuring and advancement of integration. For example, the countries of l'Union économique et mondiale ouste-africaine (UEMOA) have formed a customs union with the adoption of a common external tariff; the East African Community treaty has entered into force; SADC countries have concluded negotiations on a free trade agreement; and COMESA members are expected to achieve fully free trade status in October of this year. At the continental level, the Abuja Treaty establishing an African Economic Community was adopted, and its implementation is progressing, although slowly. Parallel to the regional integration process among developing countries, mixed regional trade agreements (North/South membership) with reciprocal commitments between developed and developing countries are being more frequently proposed in all regions.

33. Since January 2000, a number of international actions have been taken which underpin the role of trade preferences[9] and regional integration among developing countries. UNCTAD member States agreed at its tenth conference in February 2000 to maintaining

and further improving the level of tariff-free or reduced-tariff access to markets through national GSP schemes for all beneficiaries. They also agreed that UNCTAD would analyse and devise appropriate mechanisms for advancing trade integration within regional integration arrangements of developing countries.

34. The Cotonou Partnership Agreement between the African, Caribbean and Pacific (ACP) States and the EU, signed in June 2000, provides for a preparatory period of eight years within which the EU will continue to provide non-reciprocal preferential treatment substantially equivalent to the trade regime of the Fourth Lomé Convention for products originating in the ACP countries.[10] Following the expiry of the transition period in 2007, the ACP States and the EU would effect a new trade agreement or agreements, which would be designed during the transitional period. This places a major burden on the ACP States in designing and proposing the appropriate economic partnership agreement(s) between them and the EU, which responds to their trade and development needs and which would be consistent with the trend towards greater reciprocity.

35. On 18 May 2000, the President of the United States signed the Trade and Development Act of 2000 which contains the long-awaited African Growth and Opportunity Act and the United States/Caribbean Basin Trade Partnership Act. This legislation would reduce tariffs on a list of products, especially textiles and apparel, from 48 sub-Saharan African and 25 Caribbean countries. The African bill authorizes eligible sub-Saharan African countries duty-free treatment for some goods under GSP as well as duty-free and quota-free treatment for certain textiles and apparel products. The preferential treatment will be provided until September 2008. Potential beneficiary countries, particularly sub-Saharan, need to examine closely these provisions and elaborate strategies for their economic operators, in order to take maximum advantage of the preferences.

36. On 15 June 1999, the WTO General Council adopted a decision (WT/L/304) that grants a General Agreement on Tariffs and Trade (GATT) waiver to the preferential tariff treatment by developing countries for exports from the least developed countries. The waiver would effectively provide a legal cover to those initiatives pledged and engaged in by several developing countries to facilitate market access for the least developed countries. The waiver authorizes derogation from the most-favored-nation (MFN) principle until 30 July 2009 by developing country WTO members that grant unilateral preferential tariff treatment to products imported from the least developed countries members. Also within the WTO framework, since 1996 WTO members have been discussing and negotiating, with little progress as of July 2000, improvements in market access conditions for the least developed countries in the form of the provision of duty-free and quota-free treatment for all their products.

WTO dispute settlement system

37. The strengthening of the GATT dispute settlement mechanism is one of the major achievements of the Uruguay Round. Since the WTO multilateral trade agreements entered into force on 1 January 1995, the number of disputes referred to the new dispute-settlement mechanism has increased dramatically, compared to the situation under the former GATT. The main substantive issues involved in the dispute cases are those related to GATT provisions (mainly articles I, III, X, XI, and XIII), the Agreement on Agriculture, the Agreement on Anti-Dumping, and the Agreement on Subsidies and Countervailing Measures. It is interesting to note that in nearly two thirds of the dispute cases, the respondents were developed country members and in more than one third of these cases, panel and appellate bodies found that the respondents had violated the key provisions of the GATT regarding MFN and national treatment.[11]

38. Many developing country WTO members have effectively sought to resolve trade disputes through recourse to the WTO dispute-settlement mechanism, since they viewed the mechanism as a central element in the "rule-based" multilateral trading system, for the trade certainty, predictability and security that came from the element of automaticity in settling disputes and time-bound nature of the process and its outlawing of unilateral trade sanctions and threats.

39. It has also been recognized that since dispute settlement proceedings are extremely expensive, developing countries and the least developed countries do not have the necessary legal expertise to handle them. Therefore, the development of procedures is called for to make sure that the interests of developing

countries are protected and that dispute settlement proceedings are not used as instruments for coercion.[12]

Anti-dumping and countervailing measures

40. The Uruguay Round negotiations on anti-dumping introduced an element of predictability in the application of anti-dumping measures. The main thrust of the WTO Agreement on Anti-Dumping, however, was to harmonize practices among the major users at the time, not always in the direction of limiting the scope for the application of anti-dumping actions. During the first five years of operation of the WTO agreements (i.e., from 1 January 1995 to 31 December 1999), WTO members have initiated 1,200 anti-dumping measures,[13] covering a large number of tariff lines and sectors. The number of WTO members initiating anti-dumping investigations has tripled in recent years. While almost 500, or nearly 42 per cent, of the total actions were initiated by the United States, the EU, Canada, Australia and New Zealand,[13] developing countries have initiated more anti-dumping measures than developed countries. Indeed, nearly 700 measures, or 58 per cent of the total, were initiated by developing country WTO members.

41. Since they can be invoked relatively easily and selectively, compared to other trade measures, the application of anti-dumping measures has become a tool for protectionist purposes in many cases and has led to a variety of competition-reducing outcomes. In reality, the adverse impact of these measures is much greater than the actual trade involved, because the initiation of an anti-dumping investigation can have an immediate impact on trade flows, since it prompts importers to seek alternative sources of supply. In addition, serious problems exist even if final duties are not imposed, because anti-dumping investigations entail huge burdens on respondents, because restrictive effects on the trade of the countries in question are important. The significant reduction and elimination of tariffs and non-tariff measures by developing countries have led to increased pressure on the Governments of those countries to adopt anti-dumping legislation and to have frequent recourse to anti-dumping measures to protect domestic industry against injury from imports.

42. The sectors that have been targeted most include: base metals (article 340); chemical products (article 184); plastics (article 145); machinery and electrical equipment (article 129); textiles and clothing (article 97); pulp (article 73); and stone, plaster and cement (article 45). Countries and economies that have been seriously affected by these measures are: China (article 156); Korea (article 95); United States (article 78); Taiwan Province of China (article 60); Japan (article 52); Germany (article 48); India (article 46); Russian Federation (article 46); Indonesia (article 45); Brazil (article 42) and Thailand (article 40)[13].

43. Since the entry into force of the WTO, a series of reviews on national legislation and their consistency with the Agreement on Anti-Dumping has been conducted, based on notifications submitted by WTO members. During these reviews a number of issues, both procedural and substantive, were raised with respect to the implementation of the Agreement on Anti-Dumping. In order to further clarify and prepare recommendations on these issues, an ad hoc Group on Implementation was established. However, since the mandate of the Group was limited to procedural aspects of the Agreement on Anti-Dumping, it has not addressed any of the substantive issues referred to above. Since 1 January 1995, 24 disputes related to the Agreement, which accounted for 12 per cent of the total WTO disputes, have been referred to the WTO dispute settlement procedures (as of 22 June 2000). The petitioners were mainly Mexico (6 disputes), EU (4), Republic of Korea (3), India (3), Costa Rica (2), the United States (2) and Japan (2), and the respondents were mainly the United States (8), EU (2), Guatemala (2), Mexico (2), Argentina (2), Ecuador (2) and Trinidad and Tobago (2). The main products involved were steel products, cements and pasta.[11]

44. The increased recourse to anti-dumping measures and the rising number of disputes are mainly the result of lack of appropriate implementation of the Agreement, owing to its vague and ambiguous provisions; and insufficient disciplines in the relevant provisions of the Agreement to avoid inappropriate anti-dumping measures. Furthermore, the problems of implementation are not so much a result of blatant neglect of the obligations contained in the Agreement as of importing countries' permitting domestic complainants to make full use of the imprecision and ambiguity in the Agreement on such issues and elements as the determination of dumping and injury, causal link, procedures etc.

45. During the preparatory process of the third WTO Ministerial Conference, a great number of proposals,

including many from developing countries, were submitted with a view to improving the provisions of the Agreement on Anti-Dumping.

46. Compared to the Tokyo Round Subsidies Code, the Uruguay Round Agreement on Subsidies and Countervailing Measures (ASCM) provided more explicit definitions of subsidies[14] and stronger, clearer disciplines on countervailing measures. Because of the explicit definitions and strong and clearer disciplines, there has been a decline in the initiation of countervailing investigations since the entry into force of the Agreement. During its first five-years of operation, there have been about 100 countervailing cases. Most were initiated by the United States (33) and the EU (33).[13] Products that have been targeted are base metals (40), prepared foodstuffs (20) and plastics (11). Countries and economies that have mainly been affected by these measures are India (16 cases), Italy (10), Republic of Korea (9), EU (7), Indonesia (6), Thailand (6), Taiwan Province of China (6) and South Africa (5).

Sanitary and phytosanitary regulations

47. Despite growing concerns that certain sanitary and phytosanitary measures may be inconsistent with the Agreement on Sanitary and Phytosanitary (SPS) Measures and unfairly impede the flow of agricultural trade, developing countries are not well positioned to address this issue. They lack complete information on the number of measures that affect their exports. They are not sure whether these measures are consistent or inconsistent with the SPS Agreement. They do not have reliable estimates on the impact such measures have on their exports, and they experience serious problems in scientific research, testing, conformity assessment and equivalence. Developing countries are unable effectively to participate in the international standard-setting process and, therefore, face difficulties when asked to meet SPS measures in foreign markets based on international standards. Transparency-related requirements represent a burden for developing countries, and they are often unable to benefit from them, due to a lack of appropriate infrastructure. The provision of adaptation to regional conditions, which would be of great benefit to developing countries, has been little used because of the difficulties related with its scientific side. The provisions relating to special and differential treatment remain rather theoretical and have not materialized in any concrete steps in favour of developing countries.

48. The issue of health protection is very high on the agendas of several developed countries. Related to this issue is the use of measures to ensure food safety and protect human, animal and plant health. At the meeting of the WTO SPS Committee in 2000, the European Community introduced its February 2000 Communication on the Precautionary Principle, according to which the Community, like other WTO members, has the right to establish the level of protection — particularly of the environment, human, animal and plant health — that it deems appropriate. Applying the precautionary principle is a key tenet of its policy. It provides a basis for action when science is unable to give a clear answer but when there are reasonable grounds for concern that potential hazards may affect the environment or human, animal or plant health in a way inconsistent with the high level of protection chosen by the EC. Both developing and developed countries voiced their concerns to the SPS Committee about the EC Communication and stressed that the SPS Agreement already contained rules to deal with cases where emergency measures were needed but the relevant science was not fully available. They stated that a wide application of the precautionary principle in international trade would lead to a situation of unpredictability related to market access, which would jeopardize the results of the Uruguay Round. Moreover, the implementation of precautionary measures without a strict time frame would encourage inefficiency and slow down scientific research. The concern of developing countries is that developed countries would increasingly use measures meant to protect health, safety and the environment for protectionist purposes.

49. On the other hand, in several developed countries consumers are very demanding and put pressure on their authorities to impose strict safety and quality standards. While all efforts should be made to limit the protectionist use of SPS measures — and for this purpose some clarifications of the text of the SPS Agreement may be worth considering — in many cases SPS measures reflect genuine concerns for health and safety. For developing countries, the best option is, therefore, to develop the capacity to respond to these increasingly stringent market requirements by providing good quality and safety products. This implies building up knowledge, skills and capabilities.

Strengthening domestic capacities in the SPS domain would also help developing countries to identify products that they may wish to keep out of their own markets because of the potential negative impact on health, human and animal, and/or on the environment. Developed countries and the relevant international organizations should support developing countries in this endeavour.

III. Other issues arising from General Assembly resolution 54/198

Investment agreements

50. UNCTAD continued its work on capacity- and consensus-building in developing countries and economies in transition on issues arising in relation to international investment agreements (IIAs).[15] Technical cooperation programmes in the area of investment and symposia for the national policy makers of developing countries, with a focus on their particular regional parameters and concerns have been developed through UNCTAD's research and analysis of IIAs. The following symposia were held: China, 9-10 September 1999; Geneva, 29 September to 1 October 1999, for the least developed countries; Venezuela, 6-8 December 1999; Guatemala, 9-11 December 1999; and Sri Lanka, 14-15 December 1999. In all, the regional symposia organized by December 1999 attracted some 300 participants from 104 countries. UNCTAD also organized a double taxation treaty negotiation round, held in Sri Lanka (9-14 December 1999), where six member countries of the G-15 negotiated a number of double taxation treaties. In addition, assistance was provided to the ANDEAN secretariat on the modernization of its regional framework for foreign direct investment (FDI). At the request of the Government of Thailand, UNCTAD also organized a round of bilateral investment treaty negotiations in Geneva (17-25 January 2000), and with the support of the Government of Japan, a round of such negotiations in Sapporo (19-20 June 2000).

51. The Plan of Action adopted at Bangkok mandates UNCTAD to "help strengthen understanding of the relationship between trade and investment, as well as the role of international investment arrangements in the development process and of how such arrangements could contribute to development, including facilitation of technology and enterprise development. Areas of interest include bilateral investment treaties involving developing countries, the inclusion of investment matters in regional agreements, increased understanding of key concepts of treaties, and the development dimension of international investment agreements".[16] Building on its expertise in this area, the secretariat is continuing to intensify its work programme focusing on capacity-building, including intensive training, and the engagement of civil society.

52. The Plan of Action also mandates the secretariat to "support efforts by developing countries in attracting investment flows, in particular FDI, and in maximizing their net benefit, by helping them to formulate and implement policies and set up appropriate regulatory frameworks".[17] To this end, UNCTAD carries out investment policy reviews and provides, upon request, advice and training to individual Governments and their investment promotion agencies. The work programme is embedded in UNCTAD's overall policy-oriented research and technical assistance in the area of FDI. It benefits from the continued analytical work undertaken in this area through the annual publication of *World Investment Report*.

53. UNCTAD continues to identify and analyse the implications for development of issues relevant to international investment. For example, the 1999 *World Investment Report* examined the impact of FDI on development through different channels (bringing financial resources, enhancing technological capacities, boosting export competitiveness, generating employment and strengthening the skills base, protecting the environment, competition and market structure, and social responsibility of transnational corporations and the policy challenges derived therefrom. The 2000 *World Investment Report*, in turn, analyses the recent trends of cross-border mergers and acquisitions as a mode of entry for FDI and the policy implications for recipient developing countries. Other analyses and studies covered such topics as determinants of FDI, FDI in Africa, investment guides for the least developed countries, and FDI and the industrialization process in developing countries.

54. The work carried out by UNCTAD on international investment flows also includes analysis of trends in foreign portfolio investment (FPI) and its implications for development, the policy challenges resulting from the volatility of such flows and comparative characteristics of FDI and FPI. More specific work is also being undertaken to analyse the

contribution that different types of portfolio investment (such as venture capital funds, mutual funds, closed-end funds) can make in financing the enterprise sector and their role in the development of capital markets. Technical assistance activities are also being developed to help developing countries, particularly the least developed countries, build capacity in establishing venture capital funds for the financing of small and medium-sized enterprises. The Plan of Action has confirmed the mandate given to UNCTAD to carry out analytical work on portfolio investment, "in particular the implications of portfolio investment and international financial flows for development, the causes and impact of its volatility, its role in the generation of financial sustainability, and the policy implications thereof".[18]

Dispute settlement

55. UNCTAD has undertaken a number of initiatives to strengthen technical assistance to developing countries, in particular the least developed, landlocked and small island developing countries, with a view to promoting their further integration into the multilateral trading system. Pursuant to General Assembly resolution 54/198, UNCTAD has further developed a proposal for technical assistance and has elaborated a project on dispute settlement in international trade, investment and intellectual property. The proposal is devised to provide policy makers, practitioners and operators in developing countries with adequate knowledge and training in existing rules and procedures and applicable laws governing dispute settlement in the principal dispute settlement bodies and institutions. The proposal has been developed and further refined in the light of the outcomes of two expert meetings and a workshop held in 1999 and 2000 which have led to the completion of a project document outlining the objectives and activities for a comprehensive training programme in dispute settlement in international trade, investment and intellectual property, to be implemented with other relevant international organizations. The main activities of the project would be to elaborate a comprehensive training compendium; convene a series of regional workshops, in collaboration with regional training institutions or universities; organize annual workshops in Geneva for policy makers to discuss policy issues and review the training methodology; apply distance-learning techniques to reach a diverse audience in developing countries; create a web site, a newsletter and a database of international law firms agreeing to provide initially free advice to the least developed countries on dispute-settlement matters. Implementation of the project is expected to start in September 2000, subject to the availability of resources.

Third Conference on the Least Developed Countries

56. The General Assembly, in its resolution 52/187 and subsequent resolutions, decided to convene the Third United Nations Conference on the Least Developed Countries. The Conference will be hosted by the European Union in Brussels from 14 to 20 May 2001. The General Assembly has designated UNCTAD as the focal point for the preparatory process for the Conference and the Secretary-General of UNCTAD as the Secretary-General of the Conference. In that capacity, the Secretary-General of UNCTAD has initiated preparatory processes for the Conference at the country, regional and global levels. The first meeting of the Intergovernmental Preparatory Committee for the Conference was held in New York from 24 to 28 July 2000. The meeting considered the substantive and organizational aspects of the Conference. It will:

(a) Assess, at the country level, the results of the Programme of Action for the Least Developed Countries for the 1990s,[19] which was adopted at the Second Conference, held in Paris in 1990;

(b) Review the implementation of international support measures, particularly in the areas of official development assistance (ODA), debt, investment and trade;

(c) Consider the formulation and adoption of appropriate national and international policies and measures for the sustainable development of the least developed countries and their progressive integration into the world economy.

57. The Conference will be held within the context of a renewed spirit of solidarity, partnership and broad-based consensus on development issues emerging from the global conferences of the 1990s and from civil society initiatives. The international community hopes to capitalize on them.

58. It is in recognition of the critical role played by trade in the development efforts of the least developed countries that the Programme of Action underlined the vital importance for all countries to contribute to the development of a more open, credible and durable multilateral trading system. The Programme of Action further underscored the importance of the system for improving market access as an effective way to promote the growth and development of the least developed countries. The Programme called for specific action, including duty-free, quota-free treatment of the exports of the least developed countries and the adoption of simplified and more flexible rules of origin. At UNCTAD X, member States agreed that market access conditions for agricultural and industrial products of export interest to the least developed countries should be improved on as broad and liberal a basis as possible, and urgent consideration should be given to the proposal for a possible commitment by developed countries to grant duty-free and quota-free market access for essentially all exports originating in the least developed countries and other proposals to maximize market access for the least developed countries. Consideration should also be given to proposals for developing countries to contribute to improve market access for the exports of the least developed countries.

59. While a number of initiatives and measures for improving market access for products of export interest to the least developed countries have been taken by those countries' trading partners, they have often been on a bilateral and autonomous basis and frequently apply stringent conditions for access in respect of so-called "sensitive products". The major weakness of most of these preferential arrangements has been the lack of predictability and security in the market access conditions provided. With the exception of the Lomé Convention and the Generalized System of Trade Preferences (GSTP) whose market access conditions were negotiated and contractual in nature, and thus predictable, all the others, including the GSP, were unilateral, autonomous and non-contractual and, by definition, unpredictable. The first multilateral initiative to seek a negotiated multilateral approach to the issue is currently under way in WTO.

60. The least developed countries have stressed that their meaningful and beneficial integration into the global economy and the multilateral trading system requires concrete action by the countries themselves as well as by their development partners. This will enable them to tackle both the supply- and demand-side constraints affecting their trade performance. The measures to be taken include, inter alia, the development of physical and institutional infrastructure and human resources development, providing flexibility in the use of appropriate policy instruments to strengthen the competitiveness of sectors of strategic importance for the development of their trade, unencumbered and improved market access, including duty- and quota-free access for all products of export interest to the least developed countries, and simplified rules of origin which affect both supply capacities and import demand conditions.

61. The least developed countries are actively engaged with their trading partners in WTO in pursuing efforts to secure bound, quota and duty-free market access for all their export products which, they believe, will provide the significant and predictable trade environment in global markets necessary to inspire investor confidence and hence boost investment in their countries. The underlying objective of the least developed countries in these negotiations is to seek to do away with tariff (peaks and escalation) and non-tariff barriers. These affect the exports in which they often have the greatest competitive advantage and from which they thus derive the greatest trade gains. These exports offer prospects for diversification but are considered "sensitive" under existing market access conditions for the least developed countries, be they multilateral or placed under various preferential schemes such as the Lomé Convention and the recent United States Trade and Development Act of 2000.

62. The Uruguay Round Agreements have to a certain extent responded to some of the above-mentioned concerns through special provisions in favour of the least developed countries, including the Ministerial Decision on Measures in Favour of the Least Developed Countries, adopted at Marrakesh in 1994. However, the experience of the least developed countries in the implementation of the Uruguay Round Agreements has revealed a number of difficulties, including an inability to comply with notification requirements and to meet transitional period deadlines, and, above all, their serious capacity limitations for taking advantage of the special and differential treatment provisions in the Agreements. The least developed countries have thus underlined that while there are benefits to be derived from a rule-based

multilateral trading system, in terms of transparency, non-discrimination and improving their competitiveness, they have also experienced concerns about the imbalances and asymmetries in the WTO Agreements. In this context they have identified the following constraints: shortage of skilled personnel, complexity of WTO rules and working structures, a lack of awareness of the rules and full information on them, an inability to upgrade domestic regulations, a weak institutional infrastructure, and the high cost of maintaining missions in Geneva. Although a number of trade-related technical cooperation initiatives have been undertaken by the international organizations in an endeavour to alleviate these constraints, including initiatives through the Joint (ITC/UNCTAD/WTO) Integrated Technical Assistance Programme (JITAP) Selected Least Developed and other African Countries and the Integrated Framework for Trade-related Technical Assistance, the full benefit and potential of these initiatives have not reached most of the least developed countries, mainly owing to the resource constraints faced by the organizations in question. Trade-related technical assistance for capacity-building for trade has had limited impact and is not accessible to most of the least developed countries, due to the meagre resources available and more particularly the uncertainty of funding. The bulk of trade-related technical assistance carried out by the six core agencies involved in the implementation of the Integrated Framework today is funded from extrabudgetary resources.

63. Participation by the least developed countries in regional trade arrangements contributes to their gradual integration into the global economy, because the agreements offer the countries an opportunity for "learning to compete" in a more challenging global market environment. During the regional experts meetings the least developed countries therefore underlined how important it was for the multilateral trade rules governing regional trading arrangements to be supportive of greater flexibility for the least developed countries so that they can adjust gradually to more competitive trade regimes.

Landlocked countries

64. Priority areas of work where achievements have been made include: assistance in negotiating and implementing bilateral and regional agreements and arrangements; streamlining and harmonizing administrative and customs procedures and documentation; assistance in implementing policies and procedures to reduce transit costs; and assistance in institution-building and human resource development in the transit sector. In a world of increasing liberalization and competition, trade and transport facilitation has become an even more critical factor in improving trade performance. Article V of the General Agreement requires contracting parties to WTO to ensure freedom of transit. However, there is a need to provide financial and technical assistance to developing countries, particularly, the least developed, landlocked and island developing countries so as to enable them to improve their physical infrastructure and the whole range of institutional, procedural, regulatory, managerial and other non-physical aspects of vital importance to the actual movement of goods to and from regional and world markets.

65. Much of UNCTAD's earlier technical assistance support work was concentrated in Africa. More recently, assistance has been extended to other countries and regions, notably, the newly independent and developing States in Central Asia where, in cooperation with the Economic Cooperation Organization (ECO), the Transit Transport Framework Agreement was adopted (1998). A similar agreement between China, Mongolia and the Russian Federation is currently being negotiated, with assistance from UNCTAD. UNCTAD continues to work closely with regional integration groupings (ECOWAS, COMESA, SADC etc.), which play a major role in promoting regional standards, procedures, documentation and practices designed to facilitate faster movements of goods in transit. A number of landlocked and transit developing countries benefit from customs and transport information systems designed by UNCTAD. The Automated System of Customs Data (ASYCUDA) speeds up customs clearance processes through computerization and simplification of procedures thus minimizing administrative costs to the business community and the national economy. The Advance Cargo Information System improves transport efficiency by tracking equipment and cargo, providing information in advance of cargo arrival. The special development needs and problems of landlocked developing countries and their need for the provision of transit services and support in maintaining and improving their transit infrastructure are also addressed. Three reports have been prepared: "Selected

transport and trade data: landlocked developing countries" (UNCTAD/LDC/104, of 15 June 1999), "Trade and transport facilitation: case study of Mongolia" (UNCTAD/LDC/105, of 15 June 1999), and "Review of progress in the developments of transit transport systems in North-east Asia" (UNCTAD/LDC/100, of 15 June 1999). In response to paragraph 150 of the Bangkok Plan of Action, the UNCTAD secretariat will issue a publication that will assess the impact of trade facilitation and multimodal transport on trade and industry, with particular emphasis on the least developed, landlocked and transit developing countries in 2002.

Small island developing States

66. The importance of generating a greater understanding of the implications of trade liberalization and globalization for small island developing States was reiterated by the General Assembly at its twenty-second special session for the review and appraisal of the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States. The secretariat of UNCTAD continues to help small island developing States to avoid marginalization from the global economy, through the following three main areas of work:

(a) Facilitating recognition of the economic vulnerability of most of the small island developing States to a variety of external shocks, with a view to encouraging the provision of special concessions (especially for those that are not among the least developed countries), especially in terms of improved access to foreign markets and international finance, to help them counterbalance or overcome their competitive disadvantages;

(b) Assisting small island developing States in their efforts to circumvent their intrinsic competitive handicaps, which mainly stem from disadvantages of small size and remoteness and are fundamental causes of the lack of diversification and poor specialization of many island economies;

(c) Enhancing the capacity of small island developing States to take advantage of new economic opportunities, in particular, vis-à-vis relevant niche markets and in the area of international services of special interest to them.

67. In this framework, UNCTAD's action in favour of small island developing States can be summarized as follows:

(a) Direct support in the preparations for international events or negotiations relevant to the context of globalization (e.g., ongoing multilateral trade negotiations, Third United Nations Conference on the Least Developed Countries);

(b) Research and analysis on issues of vulnerability and new economic opportunities; in this regard, UNCTAD prepares "vulnerability profiles" of individual small island developing States on which specific information makes possible better consideration on the part of the international community of the need for concessionary treatment (including eligibility to the "least developed country" status);

(c) Technical assistance to individual small island developing States on subjects relating to trade and investment policies (including participation in the multilateral trade system), trade efficiency, and sectoral development relevant to international trade in goods or services.

68. To assist in the implementation of the Programme of Action for the Sustainable Development of Small Island Developing States, UNCTAD has prepared two reports for the Commission on Sustainable Development which provide information to quantify progress in the transport capacity and needs of those small island developing States. UNCTAD also undertook an in-depth study on the trade and transport of small island developing States in its annual publication, *Review of Maritime Transport* for 1997. The UNCTAD secretariat has already taken steps to emphasize African trade issues. For example, workshops on horticultural logistics have been held within the memorandum of understanding between UNCTAD and the Liaison Committee for Tropical Fruits and Off-Season Vegetables (COLEACP) where UNCTAD participated in the delivery of workshops on fresh produce logistics in the West African region in 1998 and 1999. The secretariats of UNCTAD, ECE, ITC and ECA are cooperating in the organization of a workshop on trade facilitation in Addis Ababa. Moreover, in close cooperation with ITC, an in-depth study on trade facilitation issues in the United Republic of Tanzania was undertaken. Furthermore, the following studies were carried out for transit transport

in Africa: "Review of progress in the development of transit transport systems in West and Central Africa" (UNCTAD/LDC/102, of 15 June 1999), and "Review of progress in the development of transit transport systems in Eastern Africa" (UNCTAD/LDC/103, of 15 June 1999).

Africa

69. In the context of the integration of African countries into the world economy, UNCTAD has contributed to the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa, in particular through reporting on investment, ODA and debt and by opening international markets. UNCTAD has also participated in and contributed to the discussions on ODA, debt and commodity diversification at the open-ended Ad Hoc Working Group of the General Assembly.

70. UNCTAD's contributions to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s are considered by the Trade and Development Board at its annual sessions. In accordance with the agreed conclusions of the Board at its forty-sixth session (458 (XLVI), UNCTAD undertook a study on capital flows and growth in Africa (UNCTAD/GDS/MDPB/7). The report indicates that the only feasible way to end aid dependence is to launch a massive aid programme and to sustain rapid growth for a sufficiently long period so as to allow domestic savings and external private flows gradually to replace official flows. The report will be considered by the Board at its forty-seventh session in October, the outcome of which will be reported to the General Assembly at its fifty-fifth session. Regarding UNCTAD's contribution to the preparatory process for the final review and appraisal of the New Agenda, the UNCTAD secretariat will be making contributions to the intergovernmental preparatory process to be established for that purpose. Considerable work has already been undertaken with regard to debt, resource flows, foreign direct investment, diversification and market-access issues related to Africa.

Volatility of short-term capital flows and effects of financial crisis on the international trading system

71. UNCTAD's *Trade and Development Report 2000*, in addition to its analysis of the performance and prospects and recent developments in the world economy, provides an in-depth analysis of the crisis and recovery in East Asia. Furthermore, in response to General Assembly resolution 54/231, the UNCTAD secretariat has contributed to the report of the Secretary-General on the role of the United Nations system in promoting policy coherence, complementarity and coordination.

Debt

72. UNCTAD will be reporting to the General Assembly at its fifty-fifth session, in response to Assembly resolution 54/202, on the debt and debt-servicing problems of the developing countries, including the heavily indebted poor countries and the middle-income developing country debtors.

Notes

[1] See "Marrakech Declaration" (TD/381) and "Ninth Ministerial Meeting of the Group of 77 and China: plan of action" (TD(X)/PC/4).

[2] For details, see "A positive agenda for developing countries: issues for future trade negotiations" (UNCTAD/ITCD/TSB/10).

[3] See *The Uruguay Round and its Follow-up: Building a Positive Agenda for Development* (United Nations publication, Sales No. E.97.II.D.14); *Preparing for Future Multilateral Trade Negotiations: Issues and Research from a Development Perspective* (United Nations publication, Sales No. E.99.II.D.17).

[4] See TD/380 of 29 July 1999, paras. 116-127.

[5] See web site http://www.g77.org/summit/Declaration_G77Summit.htm

[6] See web site http://www.sitdec.org.my/g15/

[7] See web site http://www.g8kyushu-okinawa.go.jp/e/documents/commu.html

[8] Information provided by the UNCTAD secretariat; see also WTO document G/AG/NG/S/12, of 15 June 2000.

[9] For a review of recent developments in GSP and other preferences, see *The GSP Newsletter*, available on the UNCTAD web site (http://www.unctad.org).

[10] See "Request for a WTO waiver: new ACP-EC partnership agreement", WTO document G/C/W/187.

[11] See WTO web site http://www.wto.org/

[12] See WT/G/C/W/108.

[13] Information provided by the WTO secretariat.

[14] Article 1 of the ASCM defines subsidies in three categories: prohibited subsidies, actionable subsidies, and non-actionable subsidies, according to specificity.

[15] The series of papers, "Issues in international investment agreements", published as part of the UNCTAD work programme, now comprises the following: Foreign direct investment and development; Scope and definition; Admission and establishment; Investment-related trade measures; Most-favoured-nation treatment; Transfer pricing; National treatment; Fair and equitable treatment; Trends in international investment agreements: an overview; Lessons from the Multilateral Agreement on Investment; Taking of property; International investment agreements: Flexibility for development; Taxation; Employment; Host country operational measures; and Transfer of funds. Work is under way on another nine papers, on home country measures, environment, social responsibility, dispute settlement (State/State), dispute settlement (investor/State), illicit payments, competition, incentives, and transfer of technology.

[16] TD/386, para. 126.

[17] Ibid., para. 123.

[18] Ibid., para. 113.

[19] See *Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990* (A/CONF.147/18), part one.